



# Department of Transportation and Infrastructure - Outsourcing of Highway Maintenance and Construction Work

Report of the Auditor General – Volume I, Chapter 3 – June 2019  
One-Page Chapter Summary

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## Why Is This Important?

- In recent years, over \$300 million a year was spent to maintain infrastructure (roads and bridges).
- Around \$200 million a year spent in public construction tenders (outsourced maintenance and construction work).
- Inconsistencies found in how road repair work was done (in-house vs outsourced) throughout the Province.

## Overall Conclusions

- In certain cases, decisions to outsource road and bridge maintenance, construction work and related equipment were not based on evidence nor supported by an objective analysis of costs and consequences.
- Instead, the Department relied on subjective judgement when making outsourcing decisions.
- The Department outsourced work at the taxpayer's expense to support the private sector and encourage economic growth.

## What We Found

### No Framework for Outsourcing Decisions

- Outsourcing is at times necessary and beneficial. For example, when the private sector can do the work faster, better and cheaper.
- Some outsourcing decisions were based on something the Department referred to as “philosophical” decisions in place of evidence-based analysis
- Department's objective included increasing economic development opportunities
- No consistent framework to guide which programs or construction projects to outsource

### Programs Knowingly Outsourced at Higher Cost

- Chipseal outsourced at higher cost to taxpayer (estimated \$1.7 million over two years)
- Plough truck build outsourced at 10% premium (\$1 million additional cost to outsource 40 pre-built trucks)
- Government responded to private sector request for additional work which cost taxpayers more